

**Consumer Cooperative
 Exemption Application**
 (For Exemption from Filing Forms 1096 and 1099-PATR)

This application is for certain consumer cooperatives that are engaged primarily in retail sales of goods or services that are generally for personal, living, or family use. See the instructions on the back of this form.

1(a) Name of organization _____ **(b)** Employer identification number _____

2 Address (Number and street) _____

City, State, and ZIP code _____

3 Principal activity of the organization _____ **4** Month and day on which the annual accounting period ends _____

5 Has the organization filed Federal income tax return(s)? Yes No
 If "Yes," enter the form number(s) of the return(s) filed and the Internal Revenue Service Center where filed.

6 Analysis of Gross Receipts:

Period	(1) Part of total receipts from retail sales of goods or services that is generally for personal, living, or family use	(2) Other receipts	(3) Total receipts (add (1) and (2))	(4) Percentage* (Divide (1) by (3) and multiply by 100)
(a) First preceding year	\$ _____	\$ _____	\$ _____	% _____
(b) Second preceding year	_____	_____	_____	
(c) Third preceding year	_____	_____	_____	
(d) Total	_____	_____	_____	_____

*NOTE: If line (a), column (4), is 85% or more, disregard lines (b), (c), and (d).

Under penalties of perjury, I declare that I have examined this application, including any accompanying statements, and to the best of my knowledge and belief it is true, correct, and complete.

Signature of a principal officer ▶ _____

Title ▶ _____ Date ▶ _____

Notice to Applicant. — To be completed by the Internal Revenue Service

The application is approved.

The application is disapproved for the following reason: _____

Director ▶ _____ Date ▶ _____

Instructions

(Section references are to the Internal Revenue Code, unless otherwise noted.)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to provide this information if you want an exemption from filing information returns on patronage payments.

Purpose of Form.—A cooperative that qualifies may use this form to apply for exemption (under section 6044(c)) from filing information returns (Forms 1096 and 1099-PATR) on patronage payments totaling \$10 or more to any person during the calendar year. IRS will return this application to you, showing whether the application has been approved.

To qualify for the exemption, section 1.6044-4(a)(2) of the Income Tax Regulations requires that 85% of the cooperative's gross receipts for the preceding tax year, or 85% of the total gross receipts for the preceding 3 tax years, must have been from retail sales of goods or services that are generally for personal, living, or family use.

Period of Exemption.—The period of exemption begins with the date the first payment is made during the calendar year in which the determination of exemption is made. It ends on the date the first payment is made after the end of the cooperative's first tax year in which less than 70% of the gross receipts is from qualifying retail sales. (See section 1.6044-4(a)(3) of the Regulations.)

Examples.—Calendar Year Cooperative

(1) In September 1984, XYZ Cooperative is found to be exempt from filing information returns. In October 1984, the first patronage payments for the year are made. For the tax year ending December 31, 1986, less than 70% of the gross receipts are from qualifying retail sales. In November 1987, the first patronage payments for the year are made.

XYZ's exemption period begins October 1984. It ends November 1987. XYZ is exempt from filing information returns for 1984, 1985, and 1986.

(2) In September 1984, XYZ Cooperative is found to be exempt from filing information returns. In February 1984, the first patronage payments for the year are made. For the tax year ending December 31, 1986, less than 70% of the gross receipts are from qualifying retail sales. In November 1987, the first patronage payments for the year are made.

XYZ's exemption period begins February 1984. It ends November 1987. XYZ is exempt from filing information returns for 1984, 1985, and 1986.

(3) In September 1984, XYZ Cooperative is found to be exempt from filing information returns. In October 1984, the first patronage payments for the year are made. For the tax year ending December 31, 1984, less than 70% of the gross receipts are from qualifying retail sales. In March 1985, the first patronage payments for the year are made.

XYZ's exemption period begins October 1984. It ends March 1985. XYZ is exempt from filing information returns for 1984 only.

Examples.—Fiscal Year Cooperative (July 1-June 30)

(1) In September 1984, ABC Cooperative is found to be exempt from filing information returns. In October 1984, the first patronage payments for the year are made.

For the tax year ending June 30, 1987, less than 70% of the gross receipts are from qualifying retail sales. In November 1987, the first patronage payments for the new fiscal year are made.

ABC's exemption period begins October 1984. It ends November 1987. ABC is exempt from filing information returns for 1984, 1985, and 1986.

(2) In September 1984, ABC Cooperative is found to be exempt from filing information returns. In February 1984, the first patronage payments for the year are made. For the tax year ending June 30, 1987, less than 70% of the gross receipts are from qualifying retail sales. In November 1987, the first patronage payments for the new fiscal year are made.

ABC's exemption period begins February 1984. It ends November 1987. ABC is exempt from filing information returns for 1984, 1985, and 1986.

(3) In September 1984, ABC Cooperative is found to be exempt from filing information returns. In October 1984, the first patronage payments for the year are made. For the tax year ending June 30, 1985, less than 70% of the gross receipts are from qualifying retail sales. In August 1985, the first patronage payments for the new fiscal year are made.

ABC's exemption period begins October 1984. It ends August 1985. ABC is exempt from filing information returns for 1984 only.

How and Where to File.—Complete all items on the form. A principal officer of the cooperative must sign it.

Send two copies of the form to the Internal Revenue Service Center for the place where the cooperative has its principal place of business.

If the cooperative's principal place of business is located in	Use the following Internal Revenue Service Center address
▽	▽
New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester	Holtsville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Alabama, Florida, Georgia, Mississippi, South Carolina	Atlanta, GA 31101
Michigan, Ohio	Cincinnati, OH 45999
Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Illinois, Iowa, Missouri, Wisconsin	Kansas City, MO 64999
California, Hawaii	Fresno, CA 93888
Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania	Philadelphia, PA 19255